

**Wrap up and turn in your practice problems
and unit test. (15 min)**

5.1 Sales Tax

5/14/15

What is sales tax and for what are the monies used?

Sales tax is money added on to the price of an item and is figured as a % (percentage) of the price

Every state except Alaska, Delaware, Montana, New Hampshire, and Oregon assesses a general sales tax.

Sales taxes are used for roads, building & running schools, fund gov't, public assistance, Law enforcement, emergency responders, advertising for tourism

5.1 Sales Tax

5/14/15

Progressive taxes the greater your income, the higher your tax rate (income tax)
impacts wealthy people more

Regressive taxes - impact the poor more than the wealthy (flat income tax, sales tax)

IWBAT

- consider various state sales taxes and practice calculating totals
- taking exempt items into account
- understand why sales tax is considered regressive.

I will capture my thinking using the math note catcher including teacher and student-team modeled example problems on the Promethean board. I will demonstrate my understanding on my exit ticket.

Nontaxable Items (Tax Exempt)

Generally:

- unprepared food
- baby food
- bread
- medicine (prescription and over-the-counter)

Taxable Items

All others, such as:

- ready-to-eat food (for example, cookies, chips, and frozen meals)
- appliances
- electronics
- furniture

IWBAT consider various state sales taxes and practice calculating totals, taking exempt items into account and understand why sales tax is considered regressive.

5.1 Sales Tax

5/14/15

Estimate sales tax

- $\$53.96$
- $.54$
- $\times 3$
-
- $\$1.62$
1. First, add up the total of the taxable items.
 2. Then, move the decimal left two places to get one percent of that price.
 3. Finally, multiply that one percent by whatever number you need to arrive at the state sales tax percentage.

Colorado's state sales tax is 2.9%. What is the approximate sales tax on a purchase of \$129.50? How much is the total purchase cost? How much would this purchase cost in Montana?

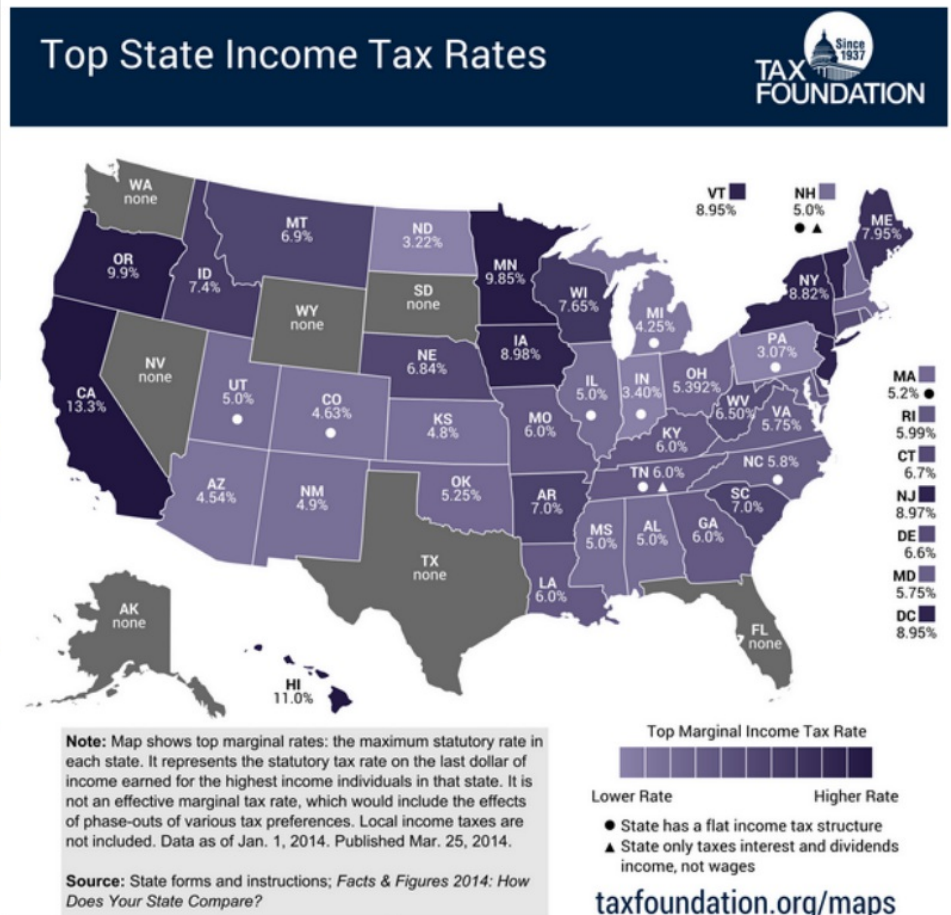
IWBAT consider various state sales taxes and practice calculating totals, taking exempt items into account and understand why sales tax is considered regressive.

5.1 Sales Tax

5/14/15



General State Sales Tax Range	States
0%	Alaska, Montana, New Hampshire, Oregon, Delaware
2% to 4%	Colorado, Alabama, Georgia, Hawaii, Louisiana, New York, South Dakota, Wyoming
4.225% to 6%	Missouri, North Carolina, Oklahoma, Maine, North Dakota, Virginia, West Virginia, Kansas, New Mexico, Nebraska, Ohio, Arizona, Utah, Arkansas, Connecticut, Florida, Idaho, Iowa, Kentucky, Maryland, Michigan, Pennsylvania, South Carolina, Vermont, Washington
6.25% to 8.25%	Illinois, Massachusetts, Texas, Wisconsin, Nevada, Minnesota, Indiana, Mississippi, New Jersey, Rhode Island, Tennessee, California



IWBAT consider various state sales taxes and practice calculating totals, taking exempt items into account and understand why sales tax is considered regressive.

5.1 Sales Tax

5/14/15

Other income sources for states:

Whenever you go through a tollbooth in order to use a specific highway, bridge, or tunnel, you are paying the state government for the use.

States tax property owners according to the value of their property. Many property owners find it frustrating that they will always have to pay for their property, even when they own it!

Lotteries raise money for states because the state does not pay the winner everything that the lottery raises. States with low or no sales tax often raise more money from lotteries.

States impose "sin taxes" on entertainment or goods that are considered bad to do or consume, like alcohol, tobacco, or gambling. Many people feel that individuals consuming these products are imposing a cost on society, so they should pay a tax to offset that cost.

IWBAT consider various state sales taxes and practice calculating totals, taking exempt items into account and understand why sales tax is considered regressive.

Vocabulary: Appendix A.3 Key Terms

Practice: 5.1.2

Quiz 5.1.3

IWBAT consider various state sales taxes and practice calculating totals, taking exempt items into account and understand why sales tax is considered regressive.

5.2 Coupons, Rebates, and Sales

5/15/15

Explain the difference between regressive taxes and progressive taxes in your own words.

Regressive affects the poor more
and progressive affects the rich more
with regards to taxes.

IWBAT

- understand the effect of a coupon, rebate, or sale
- calculate the purchase total using a formula: $(\text{item price} - \text{deduction}) + \text{tax}$.

I will capture my thinking using the math note catcher including teacher and student-team modeled example problems on the Promethean board. I will demonstrate my understanding on my exit ticket.

5.2 Coupons, Rebates, and Sales

5/15/15

Coupons - a piece of paper or on phone that gives you a discount on a specific item
stores & manufacturers issue coupons



Because the retailer will eventually receive full price even when a coupon is used, sales tax must be paid on the full price of the item. In other words, the customer is expected to pay the tax on the full price of the item.

CO
2.9%

A box of cereal costs \$3.59, but you have a coupon for 40¢ off. In Colorado, how much will that box of cereal cost you?

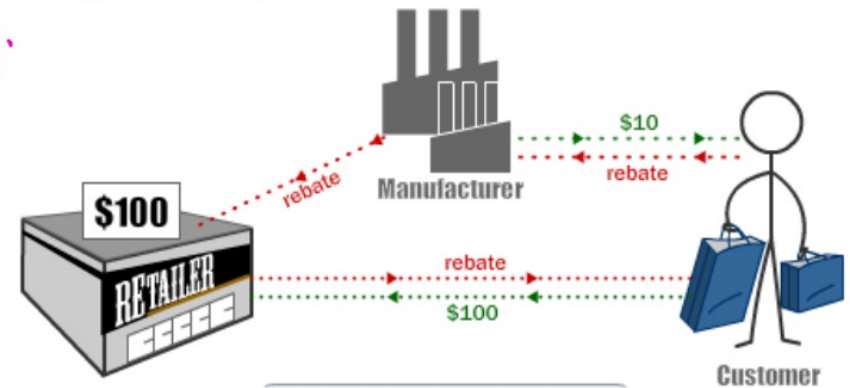
$$\begin{array}{r} \$3.59 \times 1.029 = \$3.70 \\ - \quad .40 \\ \hline \$3.30 \end{array}$$

IWBAT understand the effect of a coupon, rebate, or sale and calculate the purchase total using a formula: (item price – deduction) + tax.

5.2 Coupons, Rebates, and Sales

5/15/15

Rebates - *You send in a form after you purchase the item. The manufacturer sends you your money.*



You are buying a printer for \$189.99 and there is a \$40 rebate from the manufacturer. In Colorado, what will the printer cost you?

$$\text{\$189.99} \times 1.029 - 40 = \text{\$155.49}$$

IWBAT understand the effect of a coupon, rebate, or sale and calculate the purchase total using a formula: (item price – deduction) + tax.

5.2 Coupons, Rebates, and Sales

5/15/15

Sales - discounts on products given by the store



discounted before taxes

An outfit for your child costs \$52.28, but is on sale for 25% off. In Colorado, how much will the outfit cost?

$$\$52.28 \times .75 \times 1.029 = \$40.35$$

IWBAT understand the effect of a coupon, rebate, or sale and calculate the purchase total using a formula: (item price – deduction) + tax.

5.2 Coupons, Rebates, and Sales

5/15/15

Coupon:

Valid for certain items only

Can be used to promote a new item by encouraging customers to buy it

Might also be used to get rid of an older item that has been around too long

Rebate:

Applies to a specific item

Good for a company, because a customer has to mail in documents to get the discount, and the customer may forget to do so

Could influence a customer when the customer is comparing similar products

IWBAT understand the effect of a coupon, rebate, or sale and calculate the purchase total using a formula: $(\text{item price} - \text{deduction}) + \text{tax}$.

5.2 Coupons, Rebates, and Sales

5/15/15

Sale:

Can be valid for a group of items, for example, all men's clothing

Good for clearing a store of older items

Effective in drawing customers into a store

Vocabulary: Appendix A.3 Key Terms

Practice: 5.2.2

Quiz 5.2.3

IWBAT understand the effect of a coupon, rebate, or sale and calculate the purchase total using a formula: $(\text{item price} - \text{deduction}) + \text{tax}$.

**Due by end of day Thursday, 5/21 (seniors) & 5/18/15
end of day Wednesday, 5/27 (underclassmen)**

Unit 3

- Quizzes 3.1.3, 3.2.3, 3.3.3, 3.4.3
- Practice Problems 3.5.2
- Test 3.5.4 (CST) or 3.5.5 (TST)

Unit 4

- Quizzes 4.1.3, 4.2.3, 4.3.3, 4.4.3, 4.5.3, 4.6.3, 4.8.3
- Practice Problems 4.10.2
- Test 4.10.4 (CST) or 4.10.5 (TST)
- Banking Checking & Savings project

Unit 5

- Quizzes 5.1.3 & 5.2.3 only

Final Exam